

STATE OF VERMONT



REQUEST FOR PROPOSALS FOR A CONTRACT ADMINISTRATOR

STATE OF VERMONT REQUEST FOR PROPOSALS

CONTRACT ADMINISTRATOR

RFP RELEASED ON OCTOBER 2, 2008

PROPOSAL DUE DATE: OCTOBER 29, 2008, 2 p.m.

PUBLIC BID OPENING: OCTOBER 29, 2008, 4 p.m.

COMMENT DUE DATE: NOVEMBER 6, 2008, 2 p.m.

This RFP issued by
The State of Vermont
Public Service Board

Proposals must be delivered to:
Brenda Chamberlin, Business Manager
The Vermont Public Service Board
112 State Street, 4th Floor
Montpelier, VT 05620-2701

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Attachment A: The EEU’s 2007 Preliminary Results and Savings Estimate Report

Attachment B: The EEU’s 2007 and 2008 Annual Plan

Attachment C: The Board’s 9/30/99 Order in Docket 5980 (including Memorandum of Understanding and associated bilateral agreements)

Attachment D: Public Service Board’s Order Opening an Investigation into the Structure of Vermont’s Energy Efficiency Utility

Attachment E: A Draft of a Recommendation for a New Energy Efficiency Utility Structure

Attachment F: State of Vermont – “Attachment C: Standard State Contract Provisions”.

1. INTRODUCTION

1.1. Purpose of This Request for Proposals

The State of Vermont Public Service Board ("PSB" or "Board") is issuing this Request for Proposals ("RFP") soliciting responses from parties interested in providing the services of a Contract Administrator ("CA"). The primary role of the CA will be to assist the Board in administering its contract with the Vermont Energy Efficiency Utility ("EEU"). The EEU is an independent organization under a direct contract with the Public Service Board to refine, implement, redesign and develop energy efficiency programs for Vermont electric utility ratepayers throughout the state of Vermont. The primary responsibility of the CA will be to assist the Board in the administration of its contract with the EEU through contract management, monitoring and enforcement.¹

In order to provide the Board with independent contract-management expertise, the CA must be an individual or firm that is not affiliated with the EEU, Vermont electric or gas utilities, or with another agency of the State of Vermont or any entity providing power to Vermont's distribution utilities. Vendor qualifications should include extensive experience in contract and project administration, coordination and negotiation skills, and strong oral and written communication skills.

1.2. Organizational Structure

The **Vermont Public Service Board** is a quasi-judicial body responsible for supervising the rates, quality of service and overall financial management of Vermont utilities. The Board also seeks to promote state utility policies that best serve the long term interest of Vermont utility ratepayers with the goal of the provision of high quality public utility service in Vermont at the lowest present-value life-cycle cost, including environmental and economic costs.

The **Vermont Department of Public Service** ("DPS") is responsible for performing the State of Vermont's energy planning and public advocacy. It is an executive-branch agency independent of the

¹ Vermont Energy Investment Corporation ("VEIC") was selected via a competitive bidding process to serve as the EEU for the period of January 1, 2006 through December 31, 2008. The Board is negotiating with VEIC to exercise the option to

Board and participates as the public advocate in proceedings before the Board. Traditionally, it has been involved in the proposal of energy policy, advocacy for energy efficiency programs, and review of the energy efficiency program performance of Vermont utilities and the EEU.

The **EEU** is under contract to the Public Service Board to refine, implement, redesign, and develop energy efficiency programs for Vermont electric utility ratepayers. In addition the EEU interacts with other organizations including state agencies, Vermont electric utilities, the Vermont Legislature (in response to specific legislative requests) and national and local energy efficiency organizations.

The **Fiscal Agent** assists the Board in the financial management of the EEU. Its primary responsibility is to receive, disburse, and track the funding for the EEU. It reports directly to the Board and provides the Board with monthly, quarterly, and annual financial statements and accounting reports.

1.3. Project History/Background

The EEU began operations on March 1, 2000. Its latest Annual Report, for 2007, is included as **Attachment A**. Its Annual Plan, for 2007-2008, is included as **Attachment B**. These documents will provide vendors with considerable information regarding the scope of the EEU's operations. It is expected that the same markets will be served by the EEU for the period of 2009-2011, although the specific services provided may change.² In addition, as a result of recent statutory changes, for the first time the EEU will be providing some fossil-fuel efficiency services. Planning for the delivery of those new services is occurring now.

The EEU, the CA, and the Fiscal Agent were originally established according to the terms of a Memorandum of Understanding ("MOU") between the DPS and Vermont's electric utilities in Docket No. 5980. This MOU was approved by the Board in its entirety, and still provides vendors with substantial information regarding the CA's expected responsibilities and relationships with the Board,

extend the contract for three years through December 31, 2011.

² The EEU is expected to file a proposed Annual Plan for 2009 by November 1, 2008.

the DPS, and Vermont electric utilities. The Board Order approving the MOU (which includes the MOU as an Attachment) is included as **Attachment C**.³

The Board recently opened an investigation into the structure of the EEU. The Board's Order opening the investigation is included as **Attachment D** to provide vendors with background information. In July 2007, the Board convened a Working Group to consider changing the EEU's current contract-model structure. The Working Group held workshops over an eleven-month period and the participants produced a document entitled "A Draft of a Recommendation for a New Energy Efficiency Utility Structure" which is included as **Attachment E**. As explained in the Order opening the investigation, the Draft Recommendation will serve as the starting point for the Board's investigation. The CA will be expected to assist the Board in the transition to a new structure should the Board adopt one. More information on the Board process on restructuring the EEU can be found on the Board's website at <http://www.state.vt.us/psb/document/7466EEUStructure/EEUStructure-main.htm>.

1.4 Vendor Requirements

The following requirements are mandatory and are provided to assist vendors in their decision whether to respond to this RFP.

1. Upon selection, a vendor must become independent of any Vermont electric or gas utility, any state agency, any entity providing power to Vermont's distribution utilities, and any entity that may work under contract to the EEU. (See MOU, Page 4, Sections 5.b. and c.)
2. Contracts resulting from this RFP will adhere to the State of Vermont's Customary State Contract Provisions provided in **Attachment F**.
3. Vendors must commit to a contract with the State of Vermont for the period of three years, and be available on an average of three days, or 24 hours, per business week.
4. Vendors must propose a single staff member to provide the services of the Contract Administrator.
5. Strong management and oral and written communication skills and a thorough understanding of the expected duties are essential.

³ The MOU is also supplemented by additional bilateral agreements between the DPS and other parties to Docket No. 5980. Copies of these bilateral agreements are also included in the Board's Order approving the MOU.

6. Vendors must be familiar with cost-benefit analysis and assessment methodology.
7. Vendors must be familiar with Windows operating systems and one of two PC-based word processing tools: MS Word or Corel WordPerfect; and MS Excel.
8. The selected vendor must provide its own equipment, office space, and materials for this project.

2. CONTRACT ADMINISTRATOR DUTIES

The Contract Administrator's primary responsibility will be to facilitate the Board's relationship with the EEU, and perform all administrative and management tasks necessary to execute and oversee the Board's contract with the EEU.⁴ In addition, the CA will be expected to interact with Vermont electric utilities, the Department of Public Service, and the general public concerning certain issues affecting the EEU. It is essential that the CA be independent of the EEU, agencies of the State of Vermont, Vermont electric and gas utilities, and entities providing power to Vermont's distribution utilities, in order to assist the Board in making impartial decisions regarding the implementation and management of the EEU contract. The CA will be expected to provide the specific services detailed in the sections below.

2.1. Relationship of CA to the Board

Under the terms of the MOU, the CA is charged with the day-to-day management of the Board's contract with the EEU. While the MOU describes the CA as an "agent" of the Board, the Board in its Order approving the MOU has qualified that term.⁵ The MOU also charges the CA with attempting to resolve

⁴ The current contract can be found on the Board's web site at <http://www.state.vt.us/psb/EEU/2006-2008Contract/2006-2008EEUContract.htm>. It will serve as the model for the new contract in the extension period and will provide vendors with a sense of the format and complexity of the contract.

⁵The Board Order approving the MOU stated the following:

The MOU refers to both the Contract Administrator and the Fiscal Agent as "agents" of the Board. The term "agent" is susceptible to a range of meanings. We will *not* be designating these two entities as our agents in the sense of an agent with broad legal authority to bind its principal; rather, the Contract Administrator and Fiscal Agent will be independent contractors. This means that they will not have the legal authority to make decisions that bind the Board, except to the extent that their contracts with the Board so provide. This is not meant to diminish the Contract Administrator's authority to negotiate solutions to disputes among affected persons. Instead, it is a recognition that 30 V.S.A. § 209 gives the Board specific responsibilities with respect to the implementation of an energy efficiency utility, and we are not delegating our statutory authority to a contractor.

Docket 5980, Order of September 30, 1999, at 74.

disputes that arise over the performance of the EEU. When such disputes cannot be settled, the CA is to bring those disputes to the Board for resolution. Since the Board, or a designated staff person, will be asked to decide disputes that have initially come to the CA, the CA's relationship to, and contact with, the Board, and its staff, must be consistent with the Board's adjudicative role.

In order to preserve the Board's quasi-judicial role, as well as the CA's effectiveness in negotiating and resolving disputes over the EEU's performance, the Board and Board staff will not communicate privately with the CA on any disputed issues that may require formal Board adjudication. Rather, for these issues, the CA will be subject to *ex parte* requirements.⁶ Copies of any reports or other communications from the CA to the Board or vice versa shall be available to the public upon request unless the Board determines that the document is exempt from disclosure under State law. Discussions that are administrative in nature, and not related to current contested-case proceedings or issues or disputes expected to be contested before the Board, will not be subject to the *ex parte* restriction.

2.2. General Administrative Duties

The CA will monitor the EEU for compliance with the requirements detailed in its contract with the Board. In addition to overseeing implementation of the EEU contract, the CA will be expected to review the EEU's performance under the terms of the contract, and provide bi-monthly written reports to the Board on the performance of the EEU.⁷ In the event the EEU does not meet the requirements of its contract, the CA must be able to make recommendations to the Board on corrective strategies, including necessary actions and a time frame for their implementation.

The CA must be available to answer any questions concerning the Board's contract with the EEU from outside parties, including the electric utilities, other state agencies and the general public. The CA will

⁶*Ex parte* requirements restrict the ability of the Board to engage in communications on contested issues. See 3 V.S.A. § 813. The issue of which side of the *ex parte* "wall" a Board-appointed entity should be on is of particular concern in cases where it is likely that the Board will find itself performing its traditional quasi-judicial role of deciding contested matters. Since the MOU envisions such proceedings, the Board must preserve its role here. For precedent, see Docket Nos. 5841/5859, Order of 6/8/99.

⁷ This ongoing review responsibility should not be confused with the evaluation of the EEU to be performed under ¶ 11 of the MOU and 30 V.S.A. §§ 209 (e)(10) and 209 (e)(12).

also be expected to attend meetings of the Advisory Committee and may conduct site visits where appropriate. The CA must maintain regular communications with the EEU.

The CA must also inform him/herself of, and may attend, Board proceedings or other formally organized activities that could potentially affect the EEU. In the past, these types of activities included participating in the EEU-restructuring workshops and attending meetings concerning statewide load reduction programs, distributed utility planning, integrated resource planning, and building-energy-code development.

2.3. Specific Administrative Duties

As part of the CA's oversight of the EEU, the CA will:

- Review required reports by the EEU, including the EEU's annual Project Plan, monthly, quarterly, and annual reports;
- Review and approve the EEU's monthly invoices;
- Review and approve Program Implementation Procedures,⁸ after resolving any disputes regarding the Procedures;
- Review and approve any proposed changes to the EEU's internal system for managing confidential information;
- Monitor the EEU's progress toward meeting the performance indicators and minimum performance standards specified in its contract with the Board;
- Review any requests by the EEU to reallocate funds between the Residential and Business sectors;
- Review and approve any research report, conference presentation, journal paper, or similar other publication prepared by the EEU that relies on data acquired from the EEU's activities;
- Help organize and participate in regular meetings of the Technical Advisory Group;⁹ and

⁸ Program Implementation Procedures are reports produced by the EEU that detail new practices or substantive changes in the implementation of energy efficiency services and initiatives.

⁹ The Technical Advisory Group includes members of the EEU and the DPS and focuses on reviewing and approving the methodology and associated assumptions underlying measure-savings calculations.

- Communicate annually with the auditor of the EEU, review the final audit of the EEU, and communicate the audit's findings to the Board.

The CA will be expected to play a role in the annual energy-savings verification process. The CA will participate in the DPS's review which will begin in April of each year and continue for two months. Following the DPS's review, the CA will submit a report to the Board summarizing the DPS's electric-energy savings and total-resource-benefit findings, and make recommendations concerning any disputed amounts to the Board.

2.4. Assistance to the Board in Oversight of EEU Subcontractors and Other Entities Associated With Implementation of Energy Efficiency Services and Initiatives

The EEU is responsible for effectively providing energy efficiency services and initiatives to residential and business electric customers throughout Vermont. The EEU may deliver those services either directly, or through subcontractors (including municipal and cooperative electric distribution utilities). In managing the Board's contract with the EEU, the CA will be responsible for oversight of the EEU's fulfillment of this obligation and will bring any concerns over this obligation to the attention of the Board. However, it is not the Board's intent that the CA will have any direct supervisory role over the subcontractors or other entities delivering energy efficiency services under the EEU.

During the period 2009-2011, the City of Burlington Electric Department ("BED") will continue to deliver EEU services within its service territory.¹⁰ The CA will assist the Board in overseeing BED's performance in delivering energy efficiency services by: (1) mediating any disputes regarding the coordination agreement or cost-sharing agreement between the EEU and BED; and (2) reviewing and approving invoices submitted by BED for payment by the Fiscal Agent. The CA will not be expected to oversee BED's performance as closely as he/she will oversee the EEU's; as a regulated utility, BED's performance in delivering energy efficiency services will continue to be reviewed in traditional regulatory proceedings.

¹⁰ The Board issued an order on 8/29/08 to set the EEU Budgets, including BED's portion, for the 2009-2011 period. The order can be found on the Board's website at http://www.state.vt.us/psb/orders/2008/files/2009_2011budgetorder.pdf.

The CA will assist the Board and the EEU in the oversight of customers participating in alternative energy efficiency programs. For example, the Customer Credit initiative (originally described in the bilateral agreement between the DPS and International Business Machines Corporation, and later modified by the Board in 2002 and again, in 2007), requires coordination between the EEU and participating customers. The CA will also be expected to assist the Board and the EEU in overseeing eligible customers who apply to the Board and receive approval to self-administer energy efficiency programs.

2.5. Activities Related to Distributed Utility Planning

Under the terms of the MOU, the EEU is required to respond to any solicitations from a distribution utility for implementation of energy efficiency services arising out of distributed utility planning and, if selected, to act as a contractor directly to the electric utility to deliver such services, provided such efforts will not substantially detract from the EEU's ability to deliver its core services. The CA will be required to monitor interactions between the EEU and the distribution utilities related to distributed utility planning to assess their effect on the EEU's delivery of core services. The CA will be expected to promptly inform the Board of any concerns in this area. In addition, the CA will be responsible for mediating any disputes between the EEU and the distribution utilities related to distributed utility planning.

2.6. Dispute Resolution

The CA will be responsible for receiving complaints regarding the EEU's performance under the contract, whether from regulated utilities, state agencies or the general public, and work to negotiate a resolution of such complaints. In the event that the CA is unable to provide a resolution to any written complaint within thirty days of the receipt of such a complaint, the CA will refer the complaint to the Board for review. (Refer to MOU, sections 5.b., 6.e, and 7, and the IBM bilateral in **Attachment C.**)

2.7. Coordination With the Fiscal Agent

The CA will be expected to coordinate with the Fiscal Agent on an ongoing basis. The CA's specific duties in this area will include:

- Facilitating the approval of the selection of the Fiscal Agent's independent auditor;
- Reviewing the audit results and communicating the audit's findings to the Board;
- Facilitating the communication of annual (and monthly, where appropriate) budget amounts from the EEU to the Fiscal Agent;
- Responding to requests from the Fiscal Agent to communicate with distribution utilities regarding contribution issues;
- Monitoring the monthly Energy Efficiency Charge fund activity, reporting any unusual activity to the Board, and working with the Fiscal Agent to provide a monthly analysis of the fund's net asset balance to the Board; and
- Coordinating with the Fiscal Agent to respond to requests from the Board for information regarding Energy Efficiency Charge under/overcollections.

The CA will be expected to provide the Fiscal Agent with information regarding "committed funds," that is, funds which have been collected via the Energy Efficiency Charge and remitted to the Fiscal Agent and are obligated to be set aside for a particular purpose (such as to pay the EEU's performance incentives, or to pay the costs of the DPS's evaluation of the EEU) but have not yet been disbursed by the Fiscal Agent. In order to accomplish this task, the CA will coordinate with the EEU, the DPS, and the Fiscal Agent.

2.8. Coordination With the DPS

The CA will be expected to maintain regular communication with the DPS regarding issues related to the EEU. This communication will include, at a minimum, meeting with the DPS to review EEU evaluations and evaluation planning, and reviewing and approving invoices for the costs of the DPS's EEU evaluation activities.

2.9. Coordination With Distribution Utilities

From time to time, the CA may coordinate and communicate with Vermont's electric distribution utilities. Such communication might include information related to the transfer of data from the utilities to the EEU and vice versa, information about the EEU's services and budgets, or any other matter directly relevant to the Board's contract with the EEU.

2.10.EEU Restructuring Process

As mentioned in Section 1.1, the Board recently opened a docket to investigate restructuring the EEU. Because the CA will develop considerable expertise regarding the EEU's operations and the interactions among the EEU and the Board, DPS, Fiscal Agent, and the Vermont electric utilities, the CA will assist Board staff in the transition from the current model to the new model, if the Board chooses to adopt a new structure for the EEU.

2.11.EEU Selection Process

The CA will also assist Board staff with the preparation of an RFP for the EEU. The CA will attend meetings regarding the selection of the EEU, but will not be a member of the advisory committee appointed by the Board to advise it in the selection of the EEU. The EEU Selection Process is administrative in nature, and therefore any discussions held on this subject and documents prepared in the fulfillment of this task are not expected to be subject to the *ex parte* restriction described in **Section 2.1.**

2.12.EEU Contract Development

Because the CA will develop considerable expertise regarding the EEU's operations and the interactions among the EEU and the Board, DPS, Fiscal Agent, CA, and the Vermont electric utilities, in 2011, the CA will participate in the development of the Board's contract with the entity chosen to serve as the EEU. This participation will include attending negotiating sessions, commenting on written draft

contracts, and advising the Board. The EEU Selection Process is administrative in nature, and therefore any discussions held on this subject and documents prepared in the fulfillment of this task are not expected to be subject to the *ex parte* restriction described in **Section 2.1**.

In addition, it is expected that the contract extension currently being negotiated by the Board and the contractor serving as the EEU will include a provision allowing the contract to be re-opened if one or more specified triggering events occur. If the EEU contract is re-opened, the CA will be expected to participate in the process to revise the EEU contract.

2.13. Participation in Regional Forward Capacity Market Activities

The CA will be responsible for monitoring the EEU's participation in regional forward capacity market activities related to energy-efficiency capacity savings and in the New England Power Pool ("NEPOOL") and Independent System Operator-New England ("ISO-NE"). In addition, the CA will monitor the EEU's compliance with regional capacity market rules, the EEU's participation in future auctions, EEU's savings claims, and forward capacity market income and costs. The CA will also monitor and assist in the development and implementation of evaluation activities required by the EEU's participation in the forward capacity market.

2.14. Calculation of Energy Efficiency Charge Rates

The CA will assist Board staff with the annual calculation of Energy Efficiency Charge rates as detailed in Board Rule 5.300.

2.15. Confidential Information

It is possible that some of the information used by the CA may be customer-specific or could provide an unfair competitive advantage to the entity delivering electricity or services outside of the services to be delivered by the EEU. The CA must safeguard any such confidential information using systems that provide appropriate protection in the collection, processing, storage and retrieval of such information.

2.16. Contract Terms and Conditions

The vendor selected for the position of Contract Administrator will be under contract with the Board from January 1, 2009, through December 31, 2011, with the Board reserving the possible option of renewing the contract for an additional three years.¹¹

The Board estimates that the time necessary to perform these duties will be an average of 24 hours per week but could be greater, and up to as much as 40 hours per week, during certain times.

The Board reserves the right to cancel this contract with 30 days' notice to the Contract Administrator.

All products of the CA's work under the contract, including outlines, reports, charts, sketches, drawings, art work, plans, photographs, specifications, estimates, computer programs, databases, or similar documents or records will be the sole property of the State of Vermont and may not be copyrighted or resold by the contractor. Any equipment furnished to the Contractor by the State under this contract is provided on a loan basis only and remains the property of the State.

If the Board decides to restructure the EEU, the CA position could be eliminated and the contract terminated early. In the event the Board cancels the contract, the vendor must offer the Board assistance with the transition of the CA responsibilities at reasonable rates comparable to the rates charged for calendar year 2011.

In the event the Board or the selected vendor chooses not to renew the contract at the end of the three-year term, the vendor must offer the Board assistance with the transition to a new Contract Administrator at reasonable rates comparable to the rates charged for calendar year 2011.

Addition conditions of the contract are set forth in **Attachment F**.

¹¹ The three-year term is subject to approval by the Secretary of Administration. If the Board does not receive approval, the term of the contract will be two years.

3. PROPOSAL RESPONSE FORMAT

Vendors are asked to submit one original and six paper copies, and one electronic copy,¹² of their proposals in the following format:

- Transmittal Letter
- Related Experience/Project Approach
- Staff Qualifications
- References
- Business Organization and Staffing
- Cost Proposal

Proposals should provide a straightforward description of the vendor's capabilities for performing the duties described in this RFP.

3.1 Transmittal Letter

To be considered, vendor proposals must be accompanied by a transmittal letter signed in ink by a person authorized to bind the vendor in the proposal offerings (refer to **Subsection 5.1.2**). The letter must include a statement that the vendor accepts the contract terms and conditions (refer to **Subsection 2.16** and **Attachment F**) and the stipulated administrative requirements included in this RFP (refer to **Subsection 5.1.6**).

The transmittal letter must include the bidder information listed below:

- Name of Company or Individual
- Mailing Address
- Street Address
- Total Bid Amount

¹² The Board intends to post the electronic copies of bidders' proposals on its website to facilitate review of the proposals by members of the public. Therefore, the electronic copies should *not* include any confidential material. Instead they should include a statement at the place where the confidential material would be located that the confidential material is not included

- Name and Title of Company Contact for questions regarding the proposal
- Contact Telephone Number, Address, Fax Number and Email Address

3.2 Related Experience/Project Approach

Vendors must give a description of their involvement in projects that provided direct relevant experience related to the duties listed in **Section 2** of this RFP. Vendors should also describe in this section of their proposals specific strategies and procedures that they propose to employ for compliance with **Sections 2.2 - 2.14** above.

3.3 Staff Qualifications

Vendors should provide a complete description of the staff to be involved in this project and include résumés for proposed staff.

3.4 References

Vendors must provide three references for their business organization and for any staff member(s) proposed for this project. Vendors should include name, title and contact information, including telephone numbers, for all references provided.

3.5 Business Organization

Vendors should provide a brief description of their business organization.

3.6 Cost Proposal

Vendors should provide a cost proposal based on an hourly rate for services to be performed under the contract, using the estimated average of 24 hours per week. If, however, the CA work requirements do

not utilize the full 24 hours, only actual hours may be billed to the State of Vermont. If the vendor is required to work more than 24 hours per week, it will not be eligible for overtime compensation of any type, and may only bill for the additional hours at its standard quoted hourly rate. Vendors should detail costs for any and all services and materials not included in this hourly rate.

4. PROPOSAL EVALUATION

4.1 Evaluation Process

Vendor proposals will be reviewed by the Public Service Board and the Board staff. Proposals will be evaluated on the following components using a point-based system. These components are not necessarily listed in order of importance or weight, and vendors should be aware that they must provide comprehensive responses in all sections of their proposal.

- Staff Qualifications
- Related Experience
- References
- Cost Proposal

4.2 Finalists

In general the vendor with the highest scoring proposal will be awarded the contract; however, the Board reserves the right to reject any and all proposals, and the final decision to contract with any vendor will be made by the Board. Upon the notification of selection as a finalist in the bid for this contract, vendors may be requested to negotiate certain aspects of their proposals. In addition vendors should be prepared to give an oral presentation/interview upon the request of the Public Service Board.

5. STIPULATED ADMINISTRATIVE REQUIREMENTS

5.1 Vendor Instructions

5.1.1 Conformity to Instructions

Vendors must conform with all RFP instructions and conditions when responding to this RFP. The State of Vermont, at its discretion, may reject any nonconforming vendor proposal or response.

5.1.2 Proposal Responses to This RFP

Vendors desiring to participate in this RFP must submit proposal responses with the format and content as outlined.

5.1.3 Vendors Not Submitting Proposals

Vendors provided with a copy of this RFP who decide not to offer a proposal to the State are asked to submit a negative reply to verify their receipt and consideration of this RFP.

5.1.4 Identifying RFP Communications

All proposals and other communications with the State of Vermont regarding this RFP must be submitted in writing in sealed envelopes clearly identifying the RFP Title, the contact name and address of the vendor, and indication of the envelope contents (i.e. BID, NEGATIVE RESPONSE, or QUESTIONS). Any material received that does not indicate the RFP-related content may be opened as general mail.

Proposals and Related Correspondence must be delivered to:

**Brenda Chamberlin, Business Manager
Vermont Public Service Board
112 State Street, 4th Floor
Montpelier, VT 05620-2701**

5.1.5 Vendor Questions and State Replies

The Vermont Public Service Board will reply to any written vendor questions received no later than October 15, 2008. Communications should be clearly identified in accordance with **Subsection 5.1.4** above.

Vendor Questions should be addressed to the attention of:

**Brenda Chamberlin, Business Manager
Vermont Public Service Board
112 State Street, 4th Floor
Montpelier, VT 05620-2701**

A copy of all pertinent questions and their replies will be distributed to any vendor who has requested to be included on the RFP mailing list. Because of the short time period between the final date for questions and the proposal due date, vendors who provide email addresses will receive a copy of all pertinent questions and replies via email.

5.1.6 Acceptance of Stipulated Administrative Requirements

Vendor proposals must include unequivocal statements accepting the stipulated administrative requirements of this RFP (**Section 5.2 RFP Conditions**), and must reflect compliance with such requirements. Any failure to do so may result in the State's rejection of the proposal or portion thereof.

5.1.7 Deviating From RFP Specifications

The State of Vermont may reject any vendor proposal, or portion thereof, reflecting significant deviation from the specifications of this RFP. Vendors submitting proposals with any minor deviations must identify and fully justify such deviations for State consideration.

5.1.8 Exclusion of Taxes From Prices

The State of Vermont is exempt from the payment of excise and sales taxes imposed by the Federal Government and/or the State. Vendors remain liable, however, for personal property taxes levied by municipalities upon any and all property leased to the State.

5.1.9 Proposal Copies

Any vendor responding to this RFP is required to submit one (1) original and six (6) copies of the proposal. Pages should be numbered for ease of reference, and be typed on 8 ½ x 11-inch paper. All copies of the proposal, other than the original, should be submitted copied on both sides of the paper as required by the State of Vermont. In addition, bidders must submit one electronic copy of the proposal,¹³ suitable for posting on the Board's website (in other words, confidential material should *not* be included in the electronic version). **Telefax submissions will not be accepted. Electronic submissions alone (without the required number of accompanying paper copies) will not be accepted.**

5.1.10 Vendor Contacts

The proposal should provide the name, title, address, telephone number, FAX number and email (if available) of the vendor contact person(s) responsible for clarifying proposal content and for approving any agreement (or agreement amendment) with the State of Vermont.

5.1.11 Vendor References

Vendors must provide at least three customer references which reflect similar project experience. References should include current contact name, telephone number and location.

¹³ The electronic copy may consist of multiple electronic files.

5.1.12 Validation of Proposal Offerings

The State considers proposals as binding commitments which the State may include by reference into any agreement with a vendor. Therefore, each vendor proposal must be validated by the signature of a person having such authority to commit the company, and the signer's authority in this regard must be authenticated by a signed statement to that effect by an appropriate high-level company official. **(Refer to Section 3.1.)**

5.1.13 Proposal Completeness

To be acceptable, proposals must contain all required information and statements in the format requested by this RFP. Vendor proposals must submit "no" or "not applicable" responses to any RFP question or information request, when such a response is appropriate.

5.2 RFP Conditions

5.2.1 Amendment or Cancellation of RFP

The Board reserves the right to amend or cancel this RFP at any time if, in the Board's judgment, the best interest of the State requires such action.

5.2.2 Proposal Modifications

No additions or changes to any vendor's proposal will be allowed after the proposal due date unless such modification is specifically requested by the State.

5.2.3 RFP Events and Timing

The timing and sequence of events resulting from this RFP will be determined by the State of Vermont. The schedule is planned as follows; vendor contacts will be notified of any amendment to this schedule during the RFP process.

October 2, 2008	RFP Released
October 15, 2008	Final Questions Due
October 29, 2008	Proposals Due
November 6, 2008	Comments on Proposals Due

5.2.4 Proposal Expenses

The State of Vermont assumes no liability for payment of any expenses incurred by any vendor in responding to this RFP.

5.2.5 Acceptance or Rejection of Proposals

The State reserves the right to accept or reject any or all proposals submitted for consideration in whole or in part, and to waive technical defects, irregularities, or omissions if, in its judgment the best interest of the State will be served.

5.2.6 Ownership of Proposals

All proposals submitted in response to this RFP will become the sole property of the State of Vermont.

5.2.7 Oral Agreements and Arrangements

Any alleged oral agreement or arrangement made by a vendor with any State agency or employee will be disregarded in any State proposal evaluation or associated award.

5.2.8 Vendor Presentation of Supporting Evidence/Surety

Vendors must be prepared to provide any evidence of experience, performance ability, and/or financial surety that the State deems necessary to fully establish the performance capabilities represented in their proposals.

5.2.9 Vendor Demonstration of Proposed Services

Vendors must be able to demonstrate any and all proposed services or products including program components, software and hardware included in their response. Any required demonstration will be provided at a site approved by the State of Vermont and without cost to the State.

5.2.10 Vendor Misrepresentation or Default

The State reserves the right to reject the proposal of any vendor and void any award resulting from this RFP to a vendor who materially misrepresents any product or defaults on any State contract.

5.2.11 State Fiscal and Performance Requirements

Any product acquisition resulting from this RFP must be contingent upon contractual provision for cancellation of such acquisition, without a penalty, if the applicable funds are not available for required payment or if the product fails to meet the minimum State criteria for acceptance.

5.2.12 Conformance of Awards with State Statutes

Any award resulting from this RFP must be in full conformance with State of Vermont statutory requirements.

5.2.13 Erroneous Awards

The State of Vermont reserves the right to correct inaccurate awards resulting from its clerical errors.

5.2.14 Public Records

Vendors should be aware that all materials associated with the procurement are subject to the terms of the Vermont Access to Public Records Act (1 V.S.A. Chapter 5, Subchapter 3) and all rules, regulations and interpretations resulting therefrom, including those from the Board, the office of the Attorney General of the State of Vermont, and the office of the Vermont Secretary of State, and any other applicable rules, regulations or judicial decisions regarding access to the records of government.

The Board does not favor the filing of proprietary information in this context. In particular, the Board does not anticipate that price or rate information will be deemed proprietary. If it seems necessary to include allegedly confidential material in a bid, **all such materials must be submitted in a separate sealed envelope and marked "CONFIDENTIAL."**

It will not be sufficient for vendors to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a vendor believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of its proposal. Convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 316 of Title 1 of the Vermont Statutes Annotated must accompany the proposal. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the vendor that would result if the material were to be released and the reasons why the materials are legally exempt from release pursuant to the above cited statute. Applicants must understand and agree that the discretion to release or exempt any or all material so identified, rests with the Board, and that a Board decision to exempt any information may be subject to judicial review.

All bids submitted in response to this RFP will be open for public review, except as specifically noted immediately above. Any interested person or party may review those bids at the Board's office between the hours of 9:00 AM and 4:00 PM, beginning Friday, October 31, 2008, and if so inclined, may provide comments to the Board. Comments must be received no later than November 6, 2008, and must be no more than two pages in length.

5.2.15 Offer of Gratuities

The vendor warrants, represents and certifies that no elected or appointed official or employee of the State of Vermont has benefited, or will benefit, financially or materially from this procurement. Any Contract and/or award arising from this RFP may be terminated by the State if it is determined that gratuities of any kind were either offered to, or received by, any of the aforementioned officials or employees from the vendor, the vendor's agent or the vendor's employees.

5.2.16 Business Registration

The selected vendor must acquire a valid business registration from the Vermont Secretary of State's Office upon notification of a contract award.

5.2.17 Vermont Tax ID Number

A Vermont business account tax number is required for contractors if the contractor is a corporation or if the contractor, under whatever form of business, has employees who are subject to federal income tax withholding and who perform their services within the State of Vermont. Contracts cannot be executed without a Vermont Tax ID Number.

5.2.18 Joint Ventures

Proposals that request joint ventures between bidders will not be accepted. The State will only enter a contract or award with a prime contractor who will be required to assume full responsibility for the delivery of contracted services outlined in this RFP.

5.2.19 Readiness of Offered Products

All products and services offered in vendor responses to this RFP, including computer software, hardware and program products, must be currently manufactured and available for general sale, lease or license on the date the proposal is submitted.

5.2.20 Inspection of Work Performed

During and after the commencement of this project, the State of Vermont, and its authorized representatives, must be allowed access to inspect all contractor materials, documents, work papers, equipment and products, deliverables, and any such other items which pertain to the scope of work for this RFP and contract. This requirement also applies to any subcontractors who may be engaged by the vendor.

5.2.21 Collusion

By responding, the vendors implicitly state that the proposal is not made in conjunction with any competing vendor submitting a separate response to this RFP and that it is in all respects fair and without collusion or fraud.

ATTACHMENTS

The following items in Attachments A through F are available on the Board's web page at <http://www.state.vt.us/psb/EEU/2008CARFP/main.htm> The Board will make hard copies of these attachments available only to those bidders who request them. Please contact the PSB Clerk's office at (802)828-2358 to make such a request. Attachment F is included with this document.

Attachment A

The EEU's 2007 Preliminary Results and Savings Estimate Report

Attachment B

The EEU's 2007 and 2008 Annual Plan

Attachment C

The Board's 9/30/99 Order in Docket 5980 (including Memorandum of Understanding and associated bilateral agreements)

Attachment D

Public Service Board's Order Opening an Investigation into the Structure of Vermont's Energy Efficiency Utility

Attachment E

A Draft of a Recommendation for a New Energy Efficiency Utility Structure

Attachment F

State of Vermont – "ATTACHMENT C: STANDARD STATE CONTRACT PROVISIONS".